

Facts about Anthem demutualization

Sept. 19, 2001

Purpose of today's informational meeting: The Kentucky Department of Insurance asked for today's meeting to give consumers a chance to ask key Anthem officials about the demutualization proposal. The meeting is offered as a public service to ensure consumers have the information they need. It is important to note that the Kentucky proceedings are for informational purposes only.

Importance of Indiana hearing (Oct. 2): If you wish to provide formal testimony for or against the proposed demutualization or plan of conversion, you must participate in the Indiana Department of Insurance proceedings. Written comments also will be considered. Because Anthem headquarters are based in Indiana, the Indiana Department of Insurance will conduct formal hearings commencing Oct. 2 at 10 a.m. EST in the Indiana Government Conference Center Auditorium, 402 W. Washington St., Indianapolis, Indiana.

What is demutualization? A mutual insurance company is owned by its members or policyholders; a demutualized company has distributed its value to its members/owners and becomes a public company owned by stockholders. Insurance companies often convert to a public company in order to grow and increase access to capital.

Who's eligible? About 270,000 statutory members residing in Kentucky were notified specifically by mail in August. More than 1 million of Anthem's members are eligible for cash or stock, primarily in Kentucky, Indiana, Ohio and Connecticut. Each eligible statutory member received details via mail in August. Full details about eligibility can be obtained from Anthem's web site or by calling a toll-free number (both listed below).

How much money is involved? Anthem's value, as determined by the stock market, will be distributed to eligible statutory members if the demutualization plan is approved by two-thirds of the eligible members who vote and by the Indiana Department of Insurance. Compensation will come as cash or stocks, depending on what the member chooses.

Will this affect my current health benefits? No. You will continue to have the same coverage and premiums during your policy period.

For more details: Anthem has a toll-free Demutualization Information Center at 1-866-299-9628 (open from 8 a.m.-5 p.m. EST). Anthem's web site (www.Anthem.com) provides full details about demutualization, including the complete packet of materials mailed to eligible statutory members.



Kentucky Department of Insurance

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Toll free: 1-800-595-6053 TTY for the deaf : 1-800-462-2081

<http://www.doi.state.ky.us/kentucky/>

